

AS

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 95-1216-C - ORDER NO. 96-174 ✓
MARCH 8, 1996

IN RE: Application of Touch 1 Long Distance,) ORDER APPROVING
Inc. and Touch 1 Communications, Inc.) TRANSFER OF
for Approval of the Transfer of) SELECTED ASSETS
Selected Assets.)

This matter comes before the Public Service Commission of South Carolina ("the Commission") on the joint Application of Touch 1 Communications, Inc. ("Touch 1") and Touch 1 Long Distance, Inc. ("Touch 1 Long Distance") (hereafter collectively referred to as "the Applicants") requesting approval to transfer certain assets from Touch 1 to Touch 1 Long Distance. The Application was filed pursuant to S.C. Code Ann. §58-9-310 (Supp. 1995.)

The Application was filed with the Commission on November 14, 1995. The Application requested approval to transfer from Touch 1 to Touch 1 Long Distance certain contracts to provide service to selected end-users of telecommunications services together with certain associated goodwill, revenues, reports, records, documentation and customer premises equipment. Both Touch 1 and Touch 1 Long Distance hold Certificates of Public Convenience and Necessity to provide intrastate services in South Carolina, and the Application does not seek to transfer certificates or

operating rights in South Carolina.

By letter dated November 30, 1995, the Commission's Executive Director instructed the Applicants to publish a prepared Notice of Filing in newspapers of general circulation in the areas affected by their Application. The purpose of the Notice of Filing was to inform interested parties of the Application and of the manner and time in which to file comments or pleadings for participation in this proceeding. The Applicants complied with the instructions of the Executive Director and submitted affidavits of publication to this effect. No protests or Petitions to Intervene were received by the Commission.

Pursuant to S.C. Code Ann. §58-9-310 (Supp.1995), a public hearing regarding the Application was held in the Commission's hearing room at 111 Doctors Circle on February 20, 1996 at 11:00 a.m. The Honorable Rudolph Mitchell, Chairman, presided. The Applicants were represented by Frank R. Ellerbe, III, Esquire, and the Commission Staff was represented by Florence P. Belser, Staff Counsel.

The Applicants presented Roland Jutras to testify and explain the proposed asset transfer. Mr. Jutras is the South Carolina Technical Coordinator for WorldCom, which is the parent company of Touch 1 Long Distance, the Company acquiring the assets. Mr. Jutras explained that the Applicants have entered into an Asset Purchase Agreement whereby Touch 1 Long Distance will acquire the following selected assets from Touch 1: (1) a customer list and associated service agreements ("Customer Base"); (2) revenues,

reports, documentation and goodwill associated with such Customer Base; (3) all customer premises equipment located on the premises of customers included in the Customer Base; and (4) all necessary service, sales, technical and accounting records related to the Customer Base. According to Mr. Jutras, Touch 1 Long Distance will finance half of the purchase price from existing capital, and the balance will be paid pursuant to a promissory note executed by Touch 1 Long Distance and guaranteed by WorldCom.

Mr. Jutras also stated that Touch 1's existing customers will receive the identical service from Touch 1 Long Distance and that the entire transaction will be virtually transparent to the customers involved. Additionally, Mr. Jutras offered that approval of the transfer would be in the public interest because the transaction would enable both Touch 1 and Touch 1 Long Distance to better serve existing and future customers and would enhance competition in the telecommunications market in South Carolina.

Upon review and consideration of the Application, the testimony presented at the hearing, and the applicable law, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT AND CONCLUSIONS OF LAW


1. Both Touch 1 and Touch 1 Long Distance are resellers of interexchange telecommunications services, and both Touch 1 and Touch 1 Long Distance are authorized to provide intrastate services in South Carolina.

2. Touch 1 and Touch 1 Long Distance have entered into an Asset Purchase Agreement whereby Touch 1 Long Distance will acquire the following selected assets from Touch 1: (1) a customer list and associated service agreements ("Customer Base"); (2) revenues, reports, documentation and goodwill associated with such Customer Base; (3) all customer premises equipment located on the premises of customers included in the Customer Base; and (4) all necessary service, sales, technical and accounting records related to the Customer Base.

3. The asset transfer as described in the Application is in the public interest, and therefore, the Commission approves the requested transfer of assets.

4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)